



## United States Senate Budget Committee

**JEFF SESSIONS | Ranking Member**

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# As Details Emerge On Dem Budget Plan, Sessions Previews New Committee Analysis On Deficit Reduction

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**WASHINGTON—U.S. Sen. Jeff Sessions (R-AL), Ranking Member of the Senate Budget Committee, made the following comments today as details began to emerge about the composition of the Senate Democrat budget, which has yet to be presented publicly. News reports have indicated that the balance of tax increases to spending cuts is likely to be as heavy as 1-to-1. Sessions previewed a new Budget Committee analysis of available research that shows that countries that turn to spending cuts, rather than tax increases, more effectively reduce their deficits and enjoy better economic growth than countries that rely more heavily on tax increases.**

**Sessions’ remarks, as prepared, follow:**

“Mr. President, a headline in *The Hill* today reads ‘Budgets everywhere, but not a single one has votes to pass.’ In reality, there is only one budget that has been presented, worked on in committee, shared with the American people and passed on the floor—the budget from House Republicans. It is a courageous, serious budget that would restore fiscal sanity and prosperity to this nation.

By contrast, there is no Senate Democrat Budget. No action has been scheduled in the Budget Committee, no plan has been shared with the public, and no resolution has been brought to a vote.

In fact, it has been 742 days since the Senate passed a budget. The Democrat-led Senate has missed the statutory April 15th deadline two years in a row. Is it any wonder this nation is going broke? We are in the middle of a fiscal crisis, and the Senate—unlike the House—has not even passed, let alone presented, a plan to deal with it.

As we know, Democrat Budget Chairman Kent Conrad has been meeting privately with his Democrat Caucus to try and finally bring a budget forward. The Democrats have been unable to present a budget because the big spenders in their caucus cannot support a plan that gets the job done and that the American people will support.

As reported in *The Hill*, Chairman Conrad has had to alter his budget to win the support of Senator Bernie Sanders, who is a self-described socialist and the Senate’s most forceful advocate for a radically bigger government. The reason Senator Sanders’ vote was important is because Democrats have apparently been working to pass a budget through committee without Republican votes, and the Committee only has one more Democrat than Republican. So Chairman Conrad needs Senator Sanders vote if he wants to get his budget out of the Budget Committee.

Here is an excerpt from the *Hill*:

‘Reid said Sen. Conrad presented to the caucus a 50-50 split when asked about the preferred ratio of spending cuts to tax increases... Conrad has moved his budget proposal to the left in order to gain the support of Sen. Bernie Sanders (I-Vt.), an outspoken progressive on the budget panel.’

This is a remarkable turn of events. It's particularly stunning because the president's budget—repudiated for its dramatic levels of spending and taxing—promised a 3:1 ratio of spending cuts to tax hikes. The Fiscal Commission plan, which Chairman Conrad has praised, claims the same ratio. Taken literally, that means Senator Conrad has, in a fundamental respect, moved his plan to the left of the president and the Fiscal Commission.

It's important to note that the president and the Fiscal Commission use a baseline which assumes tax rates will go up. Fairly analyzed, those plans rely much more heavily on taxing than those ratios indicate. And I fear that the composition of the new Democrat Budget may be even more than fifty-percent tax hikes.

The merits of this fifty-fifty split between savings and taxes is both a question of philosophy and economics. Philosophically, the American people do not want Washington to continue raising taxes to pay for its spending spree. American families should not be punished for the sins of Washington. According to the CBO, we are going to spend \$45 trillion over the next ten years. Reports suggest that the Senate Democrat plan—which no one is likely to see until after the Committee meets—will cut, or save, just \$2 trillion dollars. The American people know there is much, much more we can and must do to bring this government under control and to achieve real balance in this country by shifting power from Washington back to the American people.

This is also a question of economics. Our committee has conducted an exhaustive survey of available research, which conclusively shows that debt reduction plans that rely equally on saving money and raising taxes are far less successful—and result in far weaker growth—than those plans that rely on cutting spending. We will release a white paper very soon to share these findings with my colleagues and with the country.

Here is one example of the many studies we analyzed:

- Goldman Sachs analysts Ben Broadbent and Kevin Daly report in a cross-national study of fiscal reforms that: '[i]n a review of every major fiscal correction in the OECD [the Organization for Economic Co-operation and Development; that is, the world's major developed economies] since 1975, we find that decisive budgetary adjustments that have focused on reducing government expenditure have (i) been

successful in correcting fiscal imbalances; (ii) typically *boosted* growth; and (iii) resulted in significant bond and equity market outperformance. Tax-driven fiscal adjustments, by contrast, typically fail to correct fiscal imbalances and are damaging for growth.'

The Democrat Senate should heed the large body of researching showing that spending cuts, on a basic economic level, work better than trying to drain more out of the economy with tax hikes.

In other words, the Democrat Senate should produce a budget based on facts. They should produce a budget that grows the economy and that imposes real spending discipline on Washington. They should produce a budget without gimmicks and empty promises. They should produce this budget publicly and openly, allowing the American people to review and consider it before our committee meets. They should produce the budget the American people deserve—an honest budget that spares our children from both the growing burden of debt and the growing burden of big government.”

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